

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
CORPUS CHRISTI DIVISION**

MAXIM CRUDE OIL, LLC
Plaintiff

vs.

NOIL CORP., INC. and
MORRELL STEVE NEELY

Defendants

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Civil Cause No. 2:21-cv-00090

DECLARATION OF JENNIFER WATSON

I, Jennifer Watson, declare as follows:

1. My name is Jennifer Watson. I am over the age of 18, and I am fully competent to make this Declaration. The statements contained in this Declaration are true and correct and are based on my personal knowledge.

2. I have worked at Noil Corp, Inc. (“Noil”) for approximately three to four years and my current position is senior vice president.

3. On or about March 15, 2021, Maxim Crude Oil, LLC (“Maxim”) entered into a Crude Products Agreement. Prior to entering into the Crude Products Agreement, Maxim, through David Hillman, verbally told me that the reason that Maxim contacted Noil was because Valero had been unable to provide naptha in a timely manner. David Hillman also verbally told me that Maxim had experience in the oil fuel buying business, experience in the jobber/rack end of fuel buying and had been buying product from Valero. David Hillman also verbally told me that it had the funds necessary to pay for the requested naptha before any delivery of naptha. Maxim made this assurance to me on numerous occasions, both before and after the execution of the Crude Products Agreement.

4. Pursuant to the contract and consistent with industry norms, the contract was a prepayment contract. Section 6(a) of the contract expressly states that Maxim “shall, except at Noil Corp. Inc.'s option, pay Noil Corp. Inc. cash before delivery or pickup for crude products purchased hereunder.” The invoice of the same date is consistent with the contract and required prepayment by Maxim.

5. Noil's goal was to find and provide product to Maxim. Noil's efforts resulted in Noil identifying product that could be sourced for Maxim. I discussed numerous offers with David Hillman at Maxim. However, Maxim turned down those sources due to purported pricing or logistics. I was also informed that another deal for naptha for Maxim was turned down because the due diligence on Maxim showed that Maxim was a high risk due to multiple lawsuits across multiple states and a bankruptcy. We subsequently learned that Maxim did not have a positive track record of experience in the business

6. Maxim insisted on using a pricing measurement that is not standard to the industry. We were able to work out Maxim's price issue with a supplier for the naptha. We had another offer at a price that was over the pricing that Maxim required. However, based on past experience, we could have worked to find an acceptable price in the short-term until other solutions were found.

7. In working with Maxim, Maxim's cost of logistics was an issue that, according to Maxim, did not allow them to approve some of the offers that I communicated to David Hillman. I communicated some offers to Maxim but never received a response back from Maxim.

8. Maxim rejected multiple offers based on purported pricing or logistics issues. At least one offer that would have worked could not go forward because of the issues uncovered in due diligence of Maxim. I was told that those issues included multiple lawsuits and a bankruptcy.

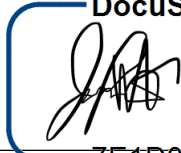
This is in addition to the commitment that we received from Valero for the naptha product. If Maxim had paid on time, as required by the contract, Valero could have supplied the product based on Valero's commitment to Noil at that time.

9. Noil continued to try and obtain naptha for Maxim even after Maxim failed to make the contractually required payment. However, some time after Maxim threatened me, Maxim stopped communicating with me and stopped working with me to find naptha for Maxim.

10. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge.

EXECUTED this 5th day of April, 2022.

DocuSigned by:

A blue DocuSign signature box containing a handwritten signature in black ink.

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JENNIFER WATSON